

SENATE BILL REPORT

HB 2527

As of February 27, 2014

Title: An act relating to establishing the prevailing rate of wage based on collective bargaining agreements or other methods if collective bargaining agreements are not available.

Brief Description: Establishing the prevailing rate of wage based on collective bargaining agreements or other methods if collective bargaining agreements are not available.

Sponsors: Representatives Ormsby, Appleton, Moscoso, Sells, Stanford, Bergquist, Reykdal, S. Hunt, Roberts, Cody, Fey, Freeman, Riccelli and Pollet.

Brief History: Passed House: 2/17/14, 59-37.

Committee Activity: Commerce & Labor: 2/28/14.

SENATE COMMITTEE ON COMMERCE & LABOR

Staff: Mac Nicholson (786-7445)

Background: Employers on public works projects must pay prevailing wages. The prevailing wage is the hourly wage, usual benefits, and overtime paid to the majority of workers in the largest city of the county where the work is being performed. The prevailing wage is determined by the industrial statistician at the Department of Labor and Industries (L&I) using wage surveys. If the majority of workers in a trade or occupation in the largest city of a county are paid at the same wage rate for the same work, that wage becomes the prevailing wage for that work. If no single wage rate is paid to a majority of workers in the same trade or occupation in the largest city in a county, an average wage is calculated and established as the prevailing wage.

When the rate calculated in the survey process matches the rate of a collective bargaining agreement during the survey period, the prevailing wage rate will be derived from the collective bargaining agreement. A prevailing wage based on a collective bargaining agreement may be adjusted based on changes to the collective bargaining agreement.

Summary of Bill: The prevailing wage rate is the wage rate established in collective bargaining agreements for those trades and occupations that have agreements. If there are no collective bargaining agreements for trades or occupations, wage and hour surveys will be used to determine the prevailing wage. If conducting wage and hour surveys is not feasible,

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the industrial statistician may employ other appropriate methods to establish the prevailing wage.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.